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Voluntary - Public

**Date:** 4/23/2010

**GAIN Report Number:** MX0025

## Mexico

**Post:** Mexico

### GOM Considers Continued Application of Compensatory Duties

**Report Categories:**

Livestock and Products

Policy and Program Announcements

Trade Policy Monitoring

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**Report Highlights:**

On April 21, 2010, the GOM published a notice in the *Diario Oficial* (Federal Register) regarding the initiation of its examination of the Sunset Review of the compensatory duties currently applied to beef imports from the United States. The GOM requires Mexican beef producers and other parties with a legal interest in the issue to submit their comments and present the information required in the official format. Information must be submitted within the following 28 working days.

**General Information:**

**Introduction:** This report summarizes an official notice published in Mexico's "*Diario Oficial*" (Federal Register) on April 21, 2010.

**Disclaimer:** This summary is based on a *cursory* review of the subject announcement and therefore should not, under any circumstances, be viewed as a definitive reading of the regulation in question, or of its implications for U.S. agricultural export trade interests. In the event of a discrepancy or discrepancies between this summary and the complete regulation or announcement as published in Spanish, the latter shall prevail.

**Background:** On November 11, 2009, the Secretariat of Economy (SE) published a notice in the *Diario Oficial* regarding the conclusion of beef compensatory duties, asking Mexican beef producers and other parties with a legal interest in the issue to submit comments or justification for continuing to apply compensatory duties on imports of beef meat from the United States. The application of these duties commenced on April 28, 2000, and were subsequently modified following a NAFTA panel review on October 2004 (see MX4138) and ratified for five years following a review on April 24, 2006 (see MX6032).

**FAS/Mexico's Executive Summary:** On April 21, 2010, the GOM published a notice in the *Diario Oficial* regarding the initiation of its examination of the Sunset Review of the compensatory duties currently applied to beef imports from the United States. The GOM is requesting that domestic cattle and beef producers and other parties with a legal interest in the issue to submit their comments in favor of continuing, eliminating, or modifying the application of compensatory duties on imports of beef meat from the United.

The GOM's examination could result in any of the above-mentioned three options. The examination period stretched from April 1, 2009, to March 31, 2010, and the damage-analysis time period for the domestic beef production extended from January 1, 2005, to March 31, 2010.

Compensatory beef duties will continue during the examination conducted by SE.

According to the *Diario Oficial* notice, there are at least two domestic beef producer associations, two import entities, and seven exporters that could have interest in the result of the examination. These include:

- Mexican Association of Finishing Cattlemen, AMEG
- National Confederation of Livestock Associations
- Mexican Meat Council
- Tecnologias Narciso
- American Meat Institute
- U.S. Meat Export Federation

- Sam Kane Beef Processors, Inc.
- Cargill Meat Solutions Corporation
- Smithfield Beef Group-Tolleson, Inc.
- Tyson
- Swift Beef Company

For all of the above as well as the United States Government, the due date to present comments and official paperwork will be 28 working days from the date of its official communication, which corresponds to May 10, 2010 (approximately).

If the GOM determines that it must continue applying compensatory duties, those will continue for another five years.

**Title:** RESOLUTION THAT DECLARES THE BEGINNING OF THE EXAMINATION ON THE VALIDITY OF THE COMPENSATORY DUTIES IMPOSED ON BOVINE MEAT , MERCHANDISE CLASSIFIED IN TARIFF NUMBERS 0201.10.01, 0201.20.99, 0201.30.01, 0202.10.01, 0202.20.99, and 0202.30.01. OF THE GENERAL TAX LAW ON IMPORTS AND EXPORTS, ORIGINATING IN THE UNITED STATES OF AMERICA, INDEPENDENTLY FROM THE COUNTRY OF SHIPMENT.

**Type of Rule:** Invitation to participate during the investigation.

**Products affected:** Product under the following tariff classifications, 0201.20.99, 0201.30.01, 0202.20.99, 0202.30.01 of the General Law of Import Tariffs, sourced from the United States of America, independent of the country of origin.

### **Important Dates**

- 1. Publication Date:** April 21, 2010
- 2. Effective Date:** April 22, 2010
- 3. Due date to submit official forms/comments:** May 31, 2010 (approximately)
- 4. Public hearing:** January 12, 2011.
- 5. Due date for comments and additional required information at public hearing:** January 19, 2011, at 2:00 p.m.

### **For More Information:**

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### **FAS Mexico Web Site:**

We are available at [www.mexico-usda.com](http://www.mexico-usda.com) or visit FAS headquarters' home page at <http://www.fas.usda.gov> for a complete selection of FAS worldwide agricultural reporting.

***Useful Mexican Web Sites:*** Mexico's equivalent of the Department of Agriculture (SAGARPA) can be found at [www.sagarpa.gob.mx](http://www.sagarpa.gob.mx) and Mexico's equivalent of the Department of Commerce (SE) can be found at [www.se.gob.mx](http://www.se.gob.mx). NOTE: These web sites are mentioned for the readers' convenience, but USDA does NOT in any way endorse, guarantee the accuracy of, or necessarily concur with the information contained on the mentioned sites.